

HOUSE BILL ANALYSIS HB 2969

Title: An act relating to local economic development capacity.

Brief Description: Encouraging local economic development.

Sponsors: Representatives Eickmeyer, Dunn, Veloria and Kessler; by request of Lieutenant Governor.

Brief Summary of Bill

- Requires the Department of Community, Trade, and Economic Development is develop strategies designed to encourage economic growth and opportunities in community empowerment zones.
- Adds industry clusters– to the groups receives development services and training from the Department of Community, Trade, and Economic Development.
- Defines industry clusters– as a geographic concentration of interdependent competitive firms that do business with each other. Clusters also include firms that sell inside and outside of the geographic region as well as support firms that supply raw materials, components, and business services.

HOUSE ECONOMIC DEVELOPMENT, HOUSING & TRADE COMMITTEE

Staff: Kenny Pittman (786-7392)

Background:

The Department of Community, Trade, and Economic Development (DCTED) works with local governments and local economic development organizations to coordinate the delivery of development services and technical assistance. These services include business assistance and infrastructure financing.

The Community Empowerment Zone (CEZ) program was created in 1993 to encourage public and private reinvestment in geographic areas of a local government (city, town or county) that are considered economically distressed. The DCTED is responsible for the administration of the CEZ program and there are currently 5 approved CEZ's: the cities of Seattle, Tacoma, Bremerton, Yakima, and White Center in King County.

In 1999, the Legislative Committee on Economic Development held a series of hearings throughout the state regarding the delivery of services to assist local communities in their economic development efforts. One approach that was

mentioned was the need for assistance that is targeted toward industry clusters—rather than individual firms.

Summary of Bill:

The Department of Community, Trade, and Economic Development (DCTED) is directed to promote strategies designed to encourage economic growth and opportunities in state designated community empowerment zones.

The DCTED must include industry clusters— as groups that receive development services and training.

An industry cluster— is defined as a geographic concentration of interdependent competitive firms that do business with each other. Clusters also include firms that sell inside and outside of the geographic region as well as support firms that supply raw materials, components, and business services.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session which bill is passed.